



House of Representatives

General Assembly

File No. 785

January Session, 2007

Substitute House Bill No. 7402

House of Representatives, May 7, 2007

The Committee on Appropriations reported through REP. MERRILL of the 54th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING REGIONAL SERVICES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2007*) (a) For purposes of this
2 section, "regional council of governments" means any such council
3 organized under the provisions of sections 4-124i to 4-124p, inclusive,
4 of the general statutes.

5 (b) There is established a regional performance incentive program
6 that shall be administered by the Secretary of the Office of Policy and
7 Management. On or before December 1, 2007, any regional council of
8 governments may submit to said secretary a proposal for provision of
9 a service that is currently provided by one or more municipalities
10 within such council's region, but is not currently provided on a
11 regional basis.

12 (c) The proposal shall (1) describe a service currently provided by a
13 municipality or municipalities within such council's region, but not
14 currently provided on a regional basis, (2) provide a description of

15 how such service would be delivered on a regional basis, including
 16 consideration of what entity would be responsible for such service,
 17 and how the same population would continue to be served, (3)
 18 describe the amount and the manner in which each municipality will
 19 reduce its mill rate as a result of the savings realized through the
 20 switch from a municipal service to a regional service, (4) include a cost
 21 benefit analysis both of the municipal provision of such service and of
 22 regional provision of such service, (5) set out a plan of implementation
 23 for such regional service, (6) estimate the savings that will be realized
 24 by each municipality, and (7) any other items requested by said
 25 secretary. Each proposal shall have attached to it a resolution by the
 26 legislative body of each municipality affected by the proposal
 27 endorsing such proposal. Such proposal shall be submitted on a form
 28 prescribed by said secretary. Said secretary shall review all such
 29 proposals, and shall provide grants to those that meet the
 30 requirements of this subsection.

31 (d) Not later than February 1, 2008, said secretary shall submit to the
 32 joint standing committee of the General Assembly having cognizance
 33 of matters relating to finance, revenue and bonding a report on the
 34 grants provided pursuant to this section, including information on the
 35 amount of funding needed for each grant, and the potential of such
 36 grants for leveraging other public and private investments.

37 (e) There is established an account to be known as the "regional
 38 performance incentive program account" which shall be a separate
 39 nonlapsing account within the General Fund. The account may contain
 40 any moneys required by law to be deposited in the account. The
 41 moneys in said account shall be used by said secretary for the funding
 42 of regional performance incentive programs established pursuant to
 43 this section.

This act shall take effect as follows and shall amend the following sections:

Section 1	July 1, 2007	New section
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FIN *Joint Favorable Subst. C/R*

APP

APP *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 08 \$
Policy & Mgmt., Off.	GF - Implements the Budget	10,000,000

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 08 \$	FY 09 \$
Various Municipalities	Revenue Gain	Potential	None

Explanation

The Appropriations Committee Budget, sHB 7077, contains \$10 million in the Office of Policy and Management in FY 08 to provide regional performance incentive grants. It is anticipated that the Office of Policy and Management (OPM) will need one additional staff member (Lead Planning Analyst with salary and associated other expenses of \$95,000) to administer the grant program, develop guidelines, prescribe the necessary forms, review the proposals for eligibility, make payments to eligible projects and complete the required report to the General Assembly. To the extent that regional councils of governments submit proposals to OPM to provide services on a regional basis that are currently provided by one or more towns in the region, such towns may experience a potential revenue gain.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sHB 7402*****AN ACT CONCERNING REGIONAL SERVICES.*****SUMMARY:**

The bill establishes a regional performance incentive program administered by the Office of Policy and Management (OPM) secretary. The program allows regional councils of governments, by December 1, 2007, to submit to the secretary proposals to provide any service on a regional basis that is currently provided by one or more towns in their regions. OPM must, after reviewing the proposals, provide grants to those that meet the bill's requirements. The bill establishes a nonlapsing General Fund account to fund the incentive program. The account must contain any funds that must, by law, be deposited in it.

By February 1, 2008, the OPM secretary must report on the grants to the Finance, Revenue and Bonding Committee. He must include information on the funding needed for each grant and the grant's potential for leveraging other public and private investments.

EFFECTIVE DATE: July 1, 2007

REQUIREMENTS FOR REGIONAL SERVICE PROPOSALS

Each regional service proposal must:

1. describe the service and how it would be delivered on a regional basis, including the entity responsible for it and how the same population would continue to receive the service;
2. describe how and by how much each participating municipality will reduce its mill rate as a result of the savings from the regionalized service;

3. provide a cost-benefit analysis of municipal and regional provision of the service;
4. include a plan to implement the regional service;
5. estimate the savings to be realized by each participating town; and
6. include any other information the secretary requests.

Proposals must include a resolution from the legislative body of each affected municipality endorsing the proposal and must be on a form the OPM secretary provides.

BACKGROUND

Regional Planning Organizations

By law, towns in the state's 15 planning regions may create three types of regional planning organizations: regional councils of government, regional councils of elected officials, and regional planning agencies (CGS §§ 4-124i-4-124r). All but two towns—Stafford and Union—are in a planning region. The bill channels the grants to regional councils of governments, which operate in eight regions. Table 1 lists the organizations serving each region.

Table 1: Regional Planning Organizations

<i>Regional Councils of Government</i>	<i>Regional Planning Agencies</i>	<i>Regional Councils of Elected Officials</i>
Capitol Region Council of Governments	Central Connecticut Regional Planning Agency	Housatonic Valley Council of Elected Officials
Council of Governments of the Naugatuck Valley	Connecticut River Estuary Regional Planning Agency	Litchfield Council of Elected Officials
Northeastern Connecticut Council of Governments	Greater Bridgeport Regional Planning Agency	
Northwestern Connecticut Council of Governments	Midstate Regional Planning Agency	
South Central Regional Council of Governments	Southwestern Connecticut Regional Planning Agency	

Southeastern Connecticut Council of Governments		
Valley Council of Governments		
Windham Region Council of Governments		

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute Change of Reference

Yea 41 Nay 11 (04/05/2007)

Appropriations Committee

Joint Favorable Substitute

Yea 35 Nay 12 (04/17/2007)